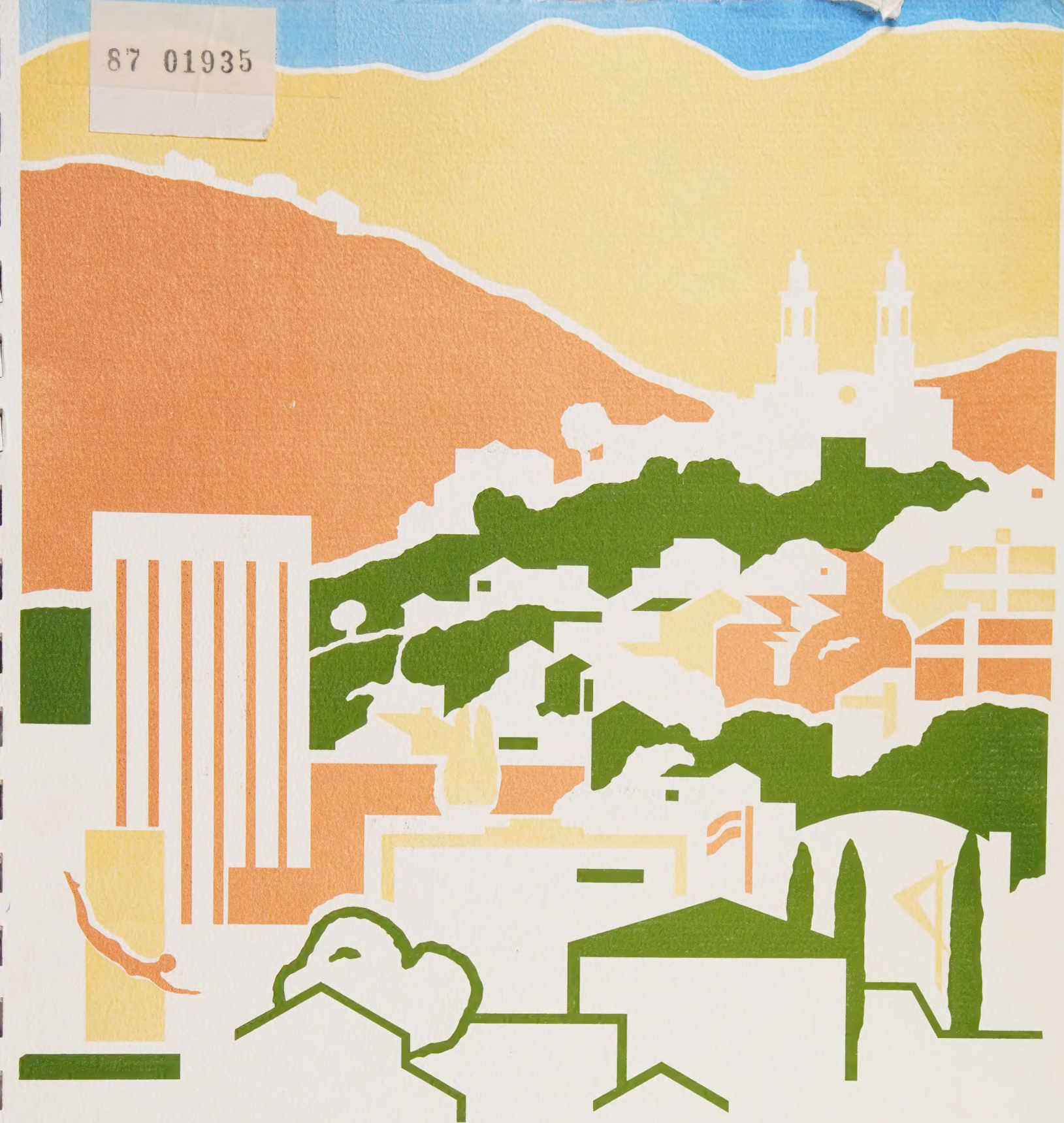


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C I T Y O F
HAYWARD
C A L I F O R N I A

ECONOMIC ANALYSIS: STRATEGY

MAY 27, 1986

Cover Graphic Designed by Susan Ong
Winner Of Poster Competition
Sponsored By The Hayward Arts Council


OFFICE OF MAYOR JACK HAYWARD

CITY OF HAYWARD

ECONOMIC ANALYSIS: STRATEGY

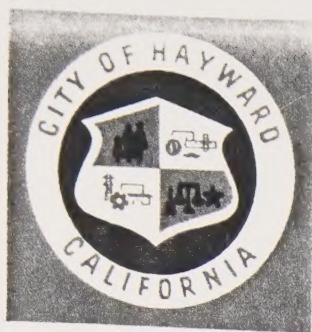
Department of Community and
Economic Development
22300 Foothill Blvd., #615
Hayward, California 94541

May 1986



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CITY OF HAYWARD
OFFICE OF MAYOR ALEX GIULIANI

Providing and retaining good jobs for Hayward residents, and expanding our tax base to finance high-quality municipal services, are two of the greatest challenges we face in Hayward today. The Mayor and City Council established the Economic Development Advisory Committee to take a comprehensive look at our local economy. The strategy that emerged from its work is presented in this report.

The City of Hayward will launch programs of business expansion and retention, small business technical assistance, and employment coordination based on the recommendations of the Advisory Committee. These programs emphasize direct outreach to the business community and practical problem-solving, with a special focus on small business. We also plan to initiate a community publication, to better inform residents of Hayward's many assets as a place to live, work and do business. A major transportation planning function will be established in response to another of the Committee's proposals.

I wish to commend the Economic Development Advisory Committee for its hard work and for the quality of its recommendations. The success of Hayward's economic development efforts will depend upon a continuing partnership with the private sector.

Sincerely,

Alex Giuliani
Mayor

The Economic Development Advisory Committee was established by the Hayward City Council in September of 1985. The Advisory Committee included representatives of major employers, small business, labor, public and non-profit agencies, banking, real estate, educational institutions and neighborhood organizations. The Committee worked with staff to produce a study of the local economy, and proposed long-term objectives for the City's economic development program which were adopted in February of 1986. A strategy for implementation of these objectives was approved by the City Council in May of 1986 and is presented in this report.

**City Council
of the
City of Hayward**

Alex Giuliani, Mayor

Barbara A. Bradley

Julio J. Bras

Shirley J. Campbell

Matt Jimenez

Michael Sweeney

William H. Ward

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

MEMBERS

ROME ALOISE, VICE-PRESIDENT
TEAMSTERS LOCAL UNION 853

JAMES ARAUJO, GENERAL MANAGER
HAYWARD CHAMBER OF COMMERCE

ROBERT BLOOM, DIRECTOR
ALAMEDA COUNTY TRAINING AND EMPLOYMENT BOARD

MAGDA CALDERON, ASSISTANT MANAGER
HAYWARD OFFICE
STATE OF CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT

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CALIFORNIA STATE UNIVERSITY AT HAYWARD

BRUCE KERN, DIRECTOR
ALAMEDA COUNTY OFFICE OF COMMUNITY AND ECONOMIC AFFAIRS

DONALD MAI, VICE PRESIDENT AND MANAGER
WELLS FARGO BANK

Economic Development Advisory Committee
Page 2

JAMES MEALEY, PRESIDENT (Vice Chair)
MEALEY CAMPBELL & COMPANY

REV. GREGG MICHEAELS, PASTOR
WESTMINSTER HILLS PRESBYTERIAN CHURCH

NORMA NELSON, DIRECTOR
EAST BAY SMALL BUSINESS DEVELOPMENT CENTER

RAMON PARADA, INSTRUCTOR/COUNSELOR
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MERVYN'S DEPARTMENT STORES

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EUGENE PRICE, PRESIDENT
HAYWARD MOBILEHOME OWNERS ASSOCIATION

MARIA SERVIN, YOUTH FAMILY WORKER SUPERVISOR
LA FAMILIA COUNSELING SERVICE

GEORGE B. SHAW
SHAW INVESTMENTS

GERALD SHEVENELL, SENIOR BUSINESS REPRESENTATIVE
CARPENTERS LOCAL UNION #1622

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TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. ECONOMIC DEVELOPMENT OBJECTIVES	5
III. PROGRAM OVERVIEW	6
IV. PROGRAM DESCRIPTIONS	9
A. Business Expansion and Retention	10
B. Small Business Technical Assistance	18
C. Employment Coordination	26
D. Education Task Force	31
E. Community Publication	32
F. Transportation Systems Management	36
G. New Firm/Strategic Attraction	41
H. Targeted Neighborhood Economic Revitalization	44
I. Support for Childcare	49
J. Trends in the Local Economy	53
K. Economic Impact Analysis	54
L. Community-Wide Clean-Up Program	57
V. PUBLICATION ORDER FORM	60

I. INTRODUCTION

This report describes the economic development program initiated by the City of Hayward in May of 1986. The process by which the City developed the program is summarized here. The City's long-range economic development objectives are listed in Section II. A program overview, with brief descriptions of all programs proposed by the Economic Development Advisory Committee, including timing of implementation, staffing and cost, is presented in Section III. Complete program descriptions, including staff analysis and case studies from other cities, are provided in Section IV.

In February of 1985, the Hayward City Council launched an economic development planning process designed to identify long-range economic development objectives and to develop a program to achieve those objectives. The economy of Hayward was growing, but Council was interested in taking steps to strengthen and diversify the local economic base so that the City would be more resilient in weathering future recessions.

Prior to 1985, the City had established basic guidelines for economic development in the General Plan and in land use regulations. A major focus of City economic development efforts was, and remains, redevelopment of the downtown. More generally, the City had issued industrial development bonds on request and established assessment districts to allow street and sewer improvements in many parts of the industrial area. The City Council determined that the time had come to take a more comprehensive, active approach to economic development.

A twenty-five member Economic Development Advisory Committee was appointed to provide advice to Council and guidance to staff. The Advisory Committee brought together major local employers, small business proprietors, trade union representatives, neighborhood activists, academic experts, members of the local banking and real estate community, Chamber of Commerce leaders, and representatives from governmental and educational institutions involved in job placement and economic development.

The first task of the Advisory Committee was to study Hayward's economy to identify problems and opportunities. The Advisory Committee and staff examined demographic data, regional economic trends, the fiscal status of the City, local market conditions, and employment, training and child care needs of local residents. The study served as the basis for setting long-range economic development objectives. A report, titled "Economic Analysis: Objectives," was presented to the City Council in February 1986.

On February 25, 1986 City Council approved economic development objectives for the City of Hayward, based on recommendations of the Economic Development Advisory Committee. In order to design specific programs to meet these objectives, the 25-member Advisory Committee formed four subcommittees, focusing on the issues of City image, diversification of the economy, labor force and traffic.

Between February and April, each subcommittee met on a bi-weekly, and sometimes weekly basis to generate program ideas, review background materials prepared by staff, refine program descriptions and set priorities for proposals.

Staff prepared program descriptions in response to subcommittee requests. In designing programs, the experience of other cities was utilized as much as possible, taking into account the unique characteristics of the Hayward economy as outlined in the Economic Analysis report presented to Council in February. Also, staff met with other agencies in the area to assure that no overlap of functions was occurring. The results were targeted programs, tailored to closely coordinate City activities with those of other agencies such as the Alameda County Training and Employment Board and the County.

After each subcommittee developed final program proposals, members of the Advisory Committee met in mixed groups with representation from all four subcommittees and drafted proposals for an overall economic development program. Finally, on May 6, 1986 the Economic Development Advisory Committee met as a whole and formulated a single recommendation to Council. The decision was achieved by consensus.

The programs were selected to address the four broad goals of: (1) increasing job opportunities for Hayward residents; (2) improving the image of Hayward; (3) preserving the locational advantages of Hayward by maintaining the City's infrastructure; and (4) improving the tax base to strengthen the City's ability to provide basic public services. Key economic considerations included:

- . Hayward currently enjoys a healthy diversity in its industrial base. Given the highly limited supply of vacant industrial land, the greatest potential for growth exists in established Hayward firms. Regional factors, including escalating costs and worsening traffic problems, create pressures that may adversely affect firms providing some of the best local employment opportunities. The strategy is designed to help growing manufacturers and firms in countercyclical sectors to stay and expand in Hayward.
- . Small businesses (firms with fewer than 100 employees) are responsible for most new employment growth. The stability or growth of the City's sales tax revenues is very much dependent upon the health of the small business sector. Healthy small businesses also contribute to positive neighborhood identity. At the same time, however, small firms have less access to credit markets and business expertise than do larger businesses. Thus Hayward's economic development strategy focuses special efforts on assisting small business.
- . Hayward competes with many northern California communities for business, but the City is not recognized for its many real, positive attributes. As a result, it does not have a well-defined, strong public image. The best way to improve Hayward's image at large is to improve the image of Hayward held by current businesses and residents. Hayward's image should be based on real assets of the community, and on provision of high quality, useful services to the business and resident community.

The Committee also took into consideration issues of efficiency and resource constraints, as follows:

Economic development programs should build on existing resources. Thus close study was made of the services currently available from the City, the employment and training system, the education system, the Chamber of Commerce, and local small-business technical assistance providers. The new programs do not duplicate existing services and are designed to enhance the effectiveness of all available services.

The City should pursue a coordinated economic development strategy. Phasing of programs has been designed to start with a group of highly interrelated initiatives. Each program is expected to contribute to the success of the others. Programs that can be implemented more effectively after other programs are in place have been postponed until years 2, 3 or 4.

The Hayward City Council unanimously approved the first year economic development program on May 27, 1986. Recognizing that economic development requires a long-term commitment, the City will review and revise its economic development program regularly to keep pace with changing opportunities and concerns.

II. CITY OF HAYWARD

ECONOMIC DEVELOPMENT OBJECTIVES

1. Use community input to develop and market a public image of Hayward that reflects its strengths: locational advantage, community pride, responsive government.
2. Increase hiring of local residents, particularly unemployed or disadvantaged workers, in local jobs that pay living wages.
3. Support job-generating small business growth and development.
4. Work with major employers to insure targeted job retention.
5. Promote updating of skills for residents in demand occupations.
6. Promote the development of more child care facilities to assist working parents.
7. Strengthen sales tax base by supporting growth in tax-generating retail, service and industrial sectors.
8. Incorporate a more thorough cost-benefit analysis into the planning and development approval process.
9. Retain and expand industrial development to diversify our economic base.
10. Increase the diversity of the Hayward community by encouraging the development of an economic ladder of housing opportunities for all economic levels of the community.
11. Encourage economic development, particularly residential development, in the vicinity of BART stations.
12. Take a more proactive approach to traffic problems and maximize the efficiency of existing traffic facilities.
13. Press for completion of planned regional roadway improvements while developing long-range solutions to ongoing traffic problems.
14. Promote educational excellence through cooperative efforts with local educational institutions.

III. PROGRAM OVERVIEW

PROGRAM

Business Expansion and Retention Program: Identification of problems and growth opportunities facing individual firms through informal, confidential discussions with local companies. Provide assistance in dealing with identified problems, ultimately leading to more successful operations, and sometimes expansion, on the part of the companies contacted. Assistance to be provided includes: assistance in securing suitable employees; assistance with infrastructure problems, municipal services and government regulations; loan packaging and other financial assistance; technical assistance with management and marketing issues; assistance in identifying local sources of supplies; and assistance in site expansion or relocation within the city. Outreach will focus on manufacturing and counter-cyclical commercial sectors, starting with the 50 firms with more than 100 employees and then focusing on smaller firms. This program is the conduit for virtually all other economic development and employment services. A quarterly business bulletin is proposed in order to reach the entire business community,

Small Business Technical Assistance Program: Management, marketing and credit assistance, targeted especially to firms that are not currently reached by other technical assistance providers -- the existing firms with 10 or more employees that are expanding rapidly and experiencing growing pains. These firms produce perhaps 65 - 80% of all new jobs. Such firms rarely seek out assistance, so the program must come to them. First year's focus will be on manufacturing firms, including prepackaging of loans to encourage expansion of operations and commitment to Hayward through real estate acquisition. This program is aimed at tying the major sources of economic growth (taxes and jobs) to Hayward. The program also involves referral of start-up firms to appropriate technical assistance and entrepreneur training services.

Employment Coordination: Linkage of City economic development efforts to the employment and training system to increase hiring of local residents by local firms. Interest among local firms in referral of qualified Hayward residents is high, but there is no one-stop source of information for employers on the many job training and referral services available. City staff will coordinate with ACTEB and ACTEB-sponsored agencies, the Hayward Unified School District, the State Employment Development Department and other job placement and training agencies to establish an ongoing system to provide appropriate referrals to interested companies. In particular, the employment coordination program will enable the business retention program to provide firms with efficient assistance in securing suitable employees. The program is also intended to develop the capacity to inform employment agencies of incoming and outgoing firms, so that early contacts can be made with employers.

Education Task Force: Establish an education task force to develop means of connecting the resources of Hayward's higher educational and training institutions to the economic life of the community. The task force will be convened by the Mayor's office.

New Firm/Strategic Attraction Program: Evaluate methods of attracting targeted retail establishments to Hayward, and pursue feasible projects in order to increase the local tax base and provide needed goods and services. Meet with new firms that are in counter-cyclical sectors as soon as they locate in Hayward, to welcome the firm's principals, make City services accessible, and introduce the firm to the City's technical assistance resources. This program will augment current efforts of the Mayor, the Chamber of Commerce and others in the community to attract and welcome new business to Hayward. The program will be closely tied to the Business Expansion and Retention Program and the Small Business Technical Assistance Program, and will benefit from the first year experience of these programs. Knowing the needs of existing firms through the Business Expansion and Retention Program will help target efforts to attract new business and diversify the economy through the New Firms/Strategic Attraction Program.

Year 1 Staffing/Annual Cost

Years 2 - 4 Staffing/Annual Cost

1.0 \$53,900

1.0 \$53,900

1.0 43,300

1.0 43,300

0.5 26,300

0.5 26,300

Mayor's --
Office

Mayor's --
Office

-- --

1.0 43,300

*Program recommendations made by the Economic Development Advisory Committee for years 2 through 4 were reviewed by City Council, but will be considered for adoption during the normal City budget process.

III. PROGRAM OVERVIEW
(Continued)

PROGRAMS	Year 1 Staffing/Annual Cost	Years 2 - 4 * Staffing/Annual Cost
<u>Neighborhood Economic Revitalization Program:</u> Organization of merchants and commercial property owners in targeted commercial centers or strips to assess needed changes, prepare and implement improvement strategies, including attraction of new retail/commercial uses where appropriate. This program will address the need for stronger neighborhood commercial areas, and the need to strengthen the sales tax base. It should result in stronger sales and more jobs. Insofar as possible, efforts will be focused on commercial strips within or adjacent to neighborhood planning areas that have recently completed neighborhood plans. The Neighborhood Economic Revitalization Program is designed to complement the retail attractions efforts of the New Firms/Strategic Attraction Program, by working intensively with retail property owners and merchants to create a positive business climate in key commercial areas.	-- --	0.8 \$ 34,600
<u>Support for Child Care:</u> Provide active City support to legislative childcare initiatives and work with the Child Care Coordinating Council and the Hayward Unified School District to develop practical strategies for increasing the supply of affordable childcare in Hayward.	-- --	0.2 8,700
<u>Trends Data/Impact Analysis:</u> Assemble an information base on the costs, revenues, employment and multiplier effects typically generated by different types of development in Hayward, by analyzing three prototypical sites. Improve the quality of local economic forecasting data available through production of an annual economic trends report.	-- --	Intern 2,900
<u>Clean-up Expansion:</u> Develop and implement a clean-up/fix-up/paint-up campaign to build on the success of the current clean-up program.	-- --	-- 50,000
<u>TOTAL</u>	<u>2.5 \$123,500</u>	<u>2.5 \$123,500</u>

ADDITIONAL STAFFING RECOMMENDATIONS

The Committee recommends that City Council approve staffing of a Transportation Planner for fiscal year 1986-1987, as a first step in taking a pro-active approach to solving local traffic problems. The Committee recommends that the Transportation Planner conduct a feasibility analysis of a Transportation Systems Management (TSM) program for Hayward.

The Committee recommends that City Council approve staffing of a Public Information Officer for fiscal year 1986-87. The Committee recommends that the Public Information Officer be directed to devote half-time to production of a community publication. This publication should be designed to help shape Hayward's image as a culturally diverse, economically viable city. The Public Information Officer should publicize information regarding the inception and progress of the City's economic development efforts. The Public Information Officer should be provided with sufficient funds to support printing and mailing of a quarterly or bi-monthly publication, and to obtain professional design assistance.

*Program recommendations made by the Economic Development Advisory Committee for years 2 through 4 were reviewed by City Council, but will be considered for adoption during the normal City budget process.

III. PROGRAM OVERVIEW
(Continued)

GENERAL POLICY RECOMMENDATIONS

- 1 The Committee recommends that City Council establish an ongoing Economic Development Advisory Committee, consisting of five to eleven members, with diverse representation from business, labor, education and the neighborhoods. The Economic Development Advisory Committee will carry out ongoing evaluation of programs, contribute to preparation of future budget proposals, and participate in efforts to identify new sources of revenue to support economic development activities.
- 2 The Committee recommends that the City identify and undertake efforts to obtain new sources of revenue, in order to finance important economic development and infrastructure improvement programs in the coming years.

ADDITIONAL RECOMMENDATIONS REGARDING CITY IMAGE

1. The Committee endorses the policies in the General Plan regarding development of a design manual, including sign ordinances for the City; formation of a design review board; and creation of a City-wide street tree plan. The Committee urges prompt implementation of these recommendations, with particular attention to major arterials.
2. The Committee urges the City to continue to convene quarterly meetings of the Building Advisory Committee, to bring together developers with staff from the City Manager's office and the chief City Building Official, to make progress on improving the building permit process. This Committee, which was convened at the request of the Chamber of Commerce, has been meeting informally during 1986.
3. The Committee endorses the policies in the General Plan regarding local landmark designation, and urges that the City survey and evaluate historic structures as soon as possible, to clarify the status of buildings for property owners and developers.
4. The Committee urges the City to continue to carry out the annual clean-up program for Hayward's neighborhoods and major arterials.

ADDITIONAL RECOMMENDATIONS REGARDING TRAFFIC

Short Range - One to Two Years

1. Adopt a pro-active approach to local traffic problems to be implemented by the City Traffic Department. (See Additional staffing Recommendations, #1.)
2. Adopt and implement a Transportation Systems Management (TSM) program sensitive to differing area situations but including informational programs for all employers. (Relates to General Plan Strategy #7.)*
3. Conduct broader analysis of new development traffic demands and adopt policy guidelines such as TSM for traffic mitigation. (Relates to General Plan Strategy #9.)*
4. Construct D Street extension. (Relates to General Plan strategy #3.)*
5. Respond supportively to property owner requests for assessment districts to finance transportation improvements.
6. Improve the intersection of Hesperian Boulevard and West Winton Avenue.
7. Improve and widen the intersection of Mission Boulevard and Industrial Boulevard.
8. Implement measure to provide better traffic flow into and out of the Hayward hills area, including construction of the Carlos Bee Boulevard extension.

Long Range - 3 - 5+ Years

1. Continue efforts to complete Route 238. (Relates to General Plan Strategy #1.)*
2. Study and develop plans to connect Route 92 with Route 238.
3. Seek funding to construct an interchange at Route 92 west of Clawiter Road.
4. Pursue plans to construct an Industrial Corridor (Route 61) linking Route 92 to a San Leandro connection with Doolittle Road.
5. Encourage and support the improvement of the Whipple Road interchange on Nimitz freeway. (Relates to General Plan strategy #2.)*

*Strategies are listed in the circulation section of the General Plan, under the Policy that reads: "A comprehensive approach will be taken in alleviating mounting problems of traffic congestion."

IV. DESCRIPTIONS OF RECOMMENDED PROGRAMS

A. BUSINESS EXPANSION AND RETENTION

Program Description: Identify problems and growth opportunities facing individual firms through informal, confidential discussions with local companies. The City will arrange on-site meetings between individual business owners and teams representing the City. Teams will be composed of the staff person in charge of coordinating the retention program and a volunteer from the Hayward business community. Staff will then coordinate the response to problems and opportunities raised in the meetings. Assistance to be provided includes: assistance in securing suitable employees; assistance with infrastructure problems, municipal services and government regulations; loan packaging and other financial assistance; technical assistance with management and marketing issues; assistance in identifying local sources of supplies; and assistance in site expansion or relocation within the City. Outreach will focus on manufacturing and counter-cyclical commercial sectors, starting with the 50 firms with more than 100 employees and then focusing on smaller firms. This program is the conduit for virtually all other economic development and employment services.

The second component of the business expansion and retention program is publication of a quarterly business bulletin. This will serve as a vehicle for informing the entire Hayward business community about economic development activities and disseminating useful information on the local economy, new businesses, etc. The business bulletin will be the primary means of making the results of the City's business expansion and retention program and technical assistance program visible to the business community at large.

Results Expected: Meet with 75 to 100 major Hayward firms per year. (There are approximately 475 companies in Hayward with 20 or more employees.) Provide the vehicle for reaching existing, growing companies with all economic development programs to be undertaken by the City, to maximize the returns of these programs in job creation and tax revenues. Provide assistance in dealing with identified problems, ultimately leading to more successful operations, and sometimes expansion, on the part of companies contacted.

Business Expansion and Retention

Obtain early warning of relocations or closures. Establish a positive profile for the City in the business community, which will help attract new firms to Hayward. Document follow-up and outcomes to provide information on program results and outstanding issues, for use in future program design.

Possible Drawbacks: Many problems identified through business visitation will not be soluble by the City.

Staff Requirements: One full time position. Tasks include: designing interview questionnaires; developing and maintaining a roster of active business volunteers; meeting with businesses; coordinating with all facets of the economic development program to provide services to firms interviewed and respond to identified problems; analyzing overall results for significant patterns or trends, soliciting and writing articles for business bulletin.

Cost: \$53,900 including \$7,500 for design, graphics and publication of two issues of a business bulletin during start-up year.

Offsetting Revenues/Contributions: Volunteer time from business leaders.

Staff Analysis

During the 1970s, most municipal economic development efforts focused on business attraction. Cities vied with each other to capture relocations and major new developments. While this intense competition continues today, many cities are turning to business expansion and retention programs as an alternative strategy for promoting economic development. The main goals of business expansion and retention programs are: (1) to encourage and assist expansion of local firms that have a commitment to the area, and (2) to obtain advance warning of potential loss of business and industry due to closings or relocations.

Increasing direct communication with individual businesses is at the core of all business expansion and retention programs. The idea is that when representatives of the City sit down with business proprietors, problems and opportunities can be identified, so that the City can do its part to help the business prosper. Of course, the City typically has no control over such issues as market share or cost of supplies. The City can, however, improve business operations by addressing problems related to labor supply, municipal services, site selection, sources of supplies, financing and other technical assistance needs, depending upon the capacity of the economic development staff and the cooperation of other City departments and outside resources.

In general, business expansion and retention programs involve periodic interviews with selected local firms conducted by city staff, volunteers from the business community, or a combination of the two. The surveys used in different programs vary from brief, one-page surveys that focus on a firm's plans to relocate or expand, to extensive questionnaires that delve into a range of potential problems and seek to assess the usefulness of different types of assistance to the firm. Some smaller cities do annual surveys of all firms that have one or more employees. Others pursue a more targeted approach, frequently focusing on industrial firms in order to retain and expand high quality jobs. Interviews lead to extensive follow-up work on the part of city staff.

Business Expansion and Retention

For Hayward, a business expansion and retention program is appropriate at this point. The City is nearing buildout and has a relatively diverse industrial sector which should be preserved and strengthened. It is estimated that 70 percent of new employment growth in most communities derives from existing business. Thus the returns from a well-run business expansion and retention program are potentially quite high in terms of jobs and tax dollars. A business expansion and retention program would give the City a higher profile in the local business community. It would also be a source of detailed data, which would help the City become more responsive in the future. The program would also serve as a sign to companies considering a Hayward location that the City is committed to working cooperatively with business.

Manufacturers in growth industries and counter-cyclical retail businesses should be the focus of the program, in order to achieve maximum results. A large proportion (40 percent) of employment in Hayward is in the 50 firms with more than 100 employees. Thus the program should include these large firms in order to function as an early warning system for relocations or closings.

Although some expansion and retention programs are conducted entirely by City staff, it would be highly desirable to involve volunteer business people in the interview process. Their participation would enhance the legitimacy of the program and probably result in more productive meetings. A further consideration in program design is that the City must be prepared to follow up on issues raised in the interviews. Thus the cooperation of various City departments is essential, and staff must have the ability to make appropriate contacts with employment and training agencies as well as financial and technical assistance providers.

EXPERIENCE OF OTHER CITIES

Visalia, California

In Visalia, California (population 57,000), the City's Department of Economic Development and the Chamber of Commerce instituted a business visitation program in 1984. The program is coordinated by one city staff person; thus city funds allocated to this program amount to part of a full time person's salary.

The program targets all industries with over 5 employees (about 60 firms), and these firms are visited by a volunteer from the Chamber and a city staff person. The program coordinator asks staff from various city departments to make visits to businesses, and if it is known beforehand that a business has had a particular problem with the city, an effort is made to send a staff person from a relevant department. These two person teams conduct an extensive survey that identifies problems and needs of the businesses.

Following the survey, problems identified by businesses are referred to the appropriate city departments for follow up. Many of these concerns are small and quickly rectifiable, such as inadequate water pressure or garbage collection. Other concerns of businesses have led to the establishment of longer term economic development projects. For example, complaints about development permit processing led to the establishment of a "help-line" for quick answers in the permit process system.

The City also uses survey results to judge overall trends in the industrial economy. Firms will be surveyed every other year. In addition to meeting specific business concerns, the City of Visalia believes that its visitation program enhances its overall marketing program.

San Leandro

San Leandro (pop. 65,300) began a business visitation program in July 1985. One staff person in the city manager's office devotes a portion of her time to coordinating the program. Targeted businesses include those with over 100 employees as well as those rumored to be leaving San Leandro. A team

Business Expansion and Retention

composed of the program coordinator and a volunteer from the Chamber of Commerce visit target businesses and conduct an extensive survey that focuses on problems and needs of the business, as well as relocation or expansion plans.

The program coordinator ensures that appropriate city departments respond to the immediate concerns of business. San Leandro's program is very new; only 12 surveys have been completed to date. Nevertheless, the city has already been able to help retain a business in San Leandro by assisting that business with assembling a land package necessary for consolidating the business.

Minneapolis, Minnesota

The City of Minneapolis, Minnesota (pop. 364,250) implemented its business retention and expansion program in 1973. A brief mail survey is utilized to identify relocation/expansion plans, labor needs, and needs for city assistance on the part of manufacturing and distribution firms with over 3 employees. In 1985, 1100 firms were surveyed with a 75% response rate. Four economic development staff people devote a portion of their time to following up on businesses' expressed needs, and these staff people establish an ongoing relationship with the businesses they contact. Thus, businesses have a "friend in city hall" they can contact when necessary.

In 1985, 20% of firms surveyed indicated that they were considering relocation and 14 percent requested specific types of city assistance, particularly financing and location of available land or lease space. A comparative analysis of this data provides city staff with information on the number of firms that move or go out of business each year along with the number of jobs lost.

According to the program coordinator of Minneapolis' business retention program, while there is no way to know how many jobs have been "saved" through the program, the survey and staff follow-up is an excellent way to solve problems and to promote a positive image of the city within the business community.

Louisville, Kentucky

In Louisville, Kentucky (pop. 290,000) the City's Economic Development Department established a business retention visitation program in 1984. Staffing of the program includes two full time business visitation people plus a coordinator whose primary title is Development Expeditor for the City. In addition, volunteers from the Chamber of Commerce, the economic development advisory committee and retired executives were very involved in the program. Targeted businesses include small and medium size manufacturing and wholesale/distribution firms as well as major employers.

Teams of two, including a City staff person and a volunteer visit and survey businesses; 80-100 companies are visited each month. The Mayor and other City officials also sponsor a monthly business breakfast, where businesses from one ward per month are invited to come hear about what the City has to offer business and to express their concerns to City officials. Businesses that attend these events are also surveyed.

Follow-up actions by staff have included the following:

- Concerns about vandalism expressed by many companies resulted in the district police captains in each area conducting free security analyses for each company.
- Concerns raised by some businesses regarding utility rates, toxic spills and various governmental actions have been brought to the Mayor's attention. This information is taken into consideration when developing policy on legislative issues or requests for rate increases.
- Referrals to the City's Development Expeditor have resulted in the resolution of many permitting, zoning, and parking problems.

In addition to dealing with specific problems and concerns, information gathered from surveys is compiled to provide the City with data concerning

Business Expansion and Retention

business attitudes and trends which will guide the City in decisions concerning the creation of new programs or revisions of existing programs.

Six months after the initial business visitation, companies that have participated in the program are sent a letter and an informational packet regarding the status of the program and an update on any changes in government assistance, education, or training. An annual report discussing general business trends is sent to all companies visited during the year.

B. SMALL BUSINESS TECHNICAL ASSISTANCE

Program Description: Provide credit analysis, loan prepackaging, and technical assistance in management and marketing issues to businesses identified through the business expansion and retention program, neighborhood commercial revitalization program, direct business inquiries and referrals from third parties. Focus on manufacturing and tax-generating retail/service businesses, that have been in business for at least two years, to reach successful firms undergoing the adjustments of a growth period. Coordinate with other technical assistance providers to improve the specialized referral network in the southern Alameda County area, and refer start-ups or newer firms to existing technical assistance providers.

Results Expected: Help growing small businesses to take full advantage of expansion opportunities and strengthen management. Increase awareness and use of T.A. resources through coordination with direct outreach efforts of the expansion and retention program. Increase volume of SBA and/or conventional real estate loan activity in Hayward, thereby assisting businesses in obtaining facilities that make it practical for them to remain and expand in Hayward.

Possible Drawbacks: Technical assistance providers must be highly competent and able to make referrals, when necessary, with a minimum of red tape. Poor direct assistance or referrals would damage the City's relationship with local firms.

Staff Requirements: One full time position. Tasks include: marketing technical assistance to businesses and third parties, such as lenders and brokers, who deal with businesses; meeting directly with companies, assessing problems and recommending solutions; prepackaging SBA loan applications and establishing a working relationship with a certified local development company to process the applications; developing and maintaining a roster of specialized T.A. providers; coordinating with other T.A. providers to maximize resources.

Small Business Technical Assistance

Cost: \$43,300

Year Three - Possible capitalization of a loan fund or a loan guarantee program to meet the working capital needs of small business.

Offsetting Revenues/Contributions: Not applicable.

Staff Analysis

As a result of recent research pointing to the importance of small businesses in the American economy, many cities have become involved in small business assistance programs. The goals of these programs are varied. Some programs are oriented strictly towards financial assistance. Others offer technical assistance directly or actively refer small businesses to technical assistance providers.

Whatever the specific nature of small business assistance, few cities doubt the fundamental importance of such assistance. In a 1970 study conducted by Dr. David Birch at M.I.T. entitled "The Job Generation Process," the important role of local small businesses to the local and the national economy was confirmed. Birch found that:

- . Small businesses provide 52% of all jobs.
- . Small firms with under 20 employees generate 66% of all new jobs.
- . Small firms that are survivors are four times more likely to expand than to contract.

Professor Michael Teitz from U.C. Berkeley confirmed Birch's findings with a separate study of job generation in the California economy. According to his findings, 68% of the total net gain in employment has been due to job generation by small businesses with under 100 employees. Employment trends in Hayward support the findings of the Birch and Teitz work that small businesses provide most jobs in a city. In Hayward, 92 percent of local companies employ 20 or fewer people; 65 percent of Hayward firms employ 5 or fewer people. Close to 60 percent of all jobs in Hayward are in firms of 100 or fewer employees.

Despite the job generating potential of small business, the likelihood of failure for small business is high, particularly when compared to larger businesses. Birch's findings indicate that of firms with under 20 employees that are less than 4 years old, 28 percent expand the number of jobs in their

Small Business Technical Assistance

first four years and 65 percent die. (By comparison, of firms with 100-500 employees, 6 percent fewer expand, the number of jobs and 46 percent die.) A key cause of small business failure is managerial weakness. The "Dunn and Bradstreet Business Failure Record" for 1981 states: "In nine out of ten failures, the lack of managerial experience or aptitude was the underlying factor."

In addition to assistance on managerial issues, small firms face serious gaps between their credit needs and the credit available through conventional financial institutions. The expansion of an established small firm is frequently slowed or stopped by the inability of its owners to finance investments in plant and equipment. Thus the firm cannot move into a larger facility or acquire the equipment needed to secure a larger share of the market -- steps that are likely to lead to new jobs.

Investment in costly expansion of fixed assets is generally justified on the basis of long-term expected returns to the company. Commercial banks, however, are primarily interested in doing short-term lending. Large companies can turn to the public financial markets, institutional investors or internal company financing. The small firm may only have its own immediate cash flow to draw on.

Existing programs available through the federal Small Business Administration (SBA) provide various types of loans and loan guarantees for relatively long-term financing. The SBA 502 and 503 loan programs, which provide real estate and equipment financing, are administered through certified local development corporations (LDCs). Among the three active LDCs that have Hayward in their service area, a total of approximately 10 loans were processed for Hayward firms during 1985. In 1984, the LDCs estimate that 6 such loans were processed. None of the LDCs is actively marketing SBA loans in Hayward. Those with the largest track record are based in San Francisco, and respond primarily to referrals from real estate brokers. Better outreach and credit analysis services could undoubtedly increase the amount of SBA activity in Hayward, assuming that these SBA lending programs remain in existence. Their future will be decided by Congress over the next six months.

Small Business Technical Assistance

Many owners of small firms also experience an occasional need for relatively short-term working capital financing. Working capital loans may be used to finance inventory or other day-to-day costs that must be incurred during a start-up or expansionary period. In such circumstances there may be a lag time before sales catch up with rising costs of doing business.

Private lenders are sometimes willing to extend a line of credit to a successful small business, or make a one time working capital loan. The SBA also has a program that provides guarantees for working capital loans (the 7A program). While working capital loans are typically short term, however, they tend to be a relatively high risk. Thus both private lenders and the SBA apply fairly strict standards regarding collateral and the credit record of the firm. Perhaps most important, these institutions are not very interested in making small loans which yield small returns but still require an investment of administrative time to process and monitor them. Working capital loans are not likely to create new jobs, but they can help stabilize a firm, particularly during growth periods. The City should assess working capital needs as part of any technical assistance program to guide future program development.

Currently available local technical assistance resources in Hayward include:

- . Service Commission of Retired Executives (SCORE), is organized and sponsored by the SBA. SCORE uses volunteer retired business executives to assist small firms. A SCORE representative meets with entrepreneurs one day per week at the Hayward Chamber of Commerce office.
- . East Bay Small Business Development Center will soon establish a referral center operating out of Hayward one day each week. Center staff assist businesses in problem definition and preparation of business plans, and make referrals to specialists where appropriate. The Center also sponsors occasional workshops on topics ranging from entrepreneurship, in general, to restaurant management.

Small Business Technical Assistance

California State University at Hayward offers the services of students, supervised by professors, to entrepreneurs seeking advice on projects.

Demand for small business assistance is very hard to measure, although business development experts and entrepreneurs agree that demand for financial and technical assistance is high. The survey of businesses in Hayward that are under five years old revealed that 18 percent of new business managers/owners believe that business management counseling would be a useful service for the City to provide.

Further indication of the need for small business assistance is provided by the 1985 Alameda County Small Business Needs Assessment Survey, conducted by the East Bay Small Business Development Center. According to Center staff, this survey demonstrated that the South County area is producing more start-up businesses than other areas of the County. This survey also revealed that currently there are few or no small business assistance providers whose primary emphasis is to serve Southern Alameda County. It appears that there is a real gap between the potential need for small business assistance in Hayward and the provision of such assistance.

Direct outreach to existing, established Hayward businesses appears to be the most important missing ingredient in the local small business technical assistance provision. The existing assistance providers maintain a fairly low profile in part because they are not adequately staffed to handle a major influx of clients. The City's involvement in small business outreach and technical assistance referral should be designed to enhance the existing assistance efforts of SCORE and the EBSBDC. The major focus of existing resources is on serving start-ups and relatively new firms, which tend to be the firms that seek out technical assistance. However established firms frequently experience serious problems related to handling growth. It is these firms that the City should try to reach, to help maximize their growth potential and commitment to the Hayward area.

EXPERIENCE OF OTHER CITIES

Long Beach, California

A staff person in the economic development department of the City of Long Beach offers limited direct small business management assistance to start-up businesses in the City. This staff person also coordinates the Long Beach Business Consulting Service (BCS), which is headquartered out of the Chamber of Commerce. The BCS is a network of primarily Chamber members with experience in accounting, finance, marketing and general management who act as volunteer consultants. Small businesses apply for the service through the City; City staff match the specific needs of small businesses with appropriate volunteers. The recommendations of volunteers are always reviewed by a Structural Review Board (also volunteers from banking, Cal State Long Beach, EDD, etc.) which meets bi-monthly, thus providing further assistance to small businesses.

Demand for small business assistance through these services is high; about 200 small businesses received assistance from City staff and/or the BCS in 1985. Small businesses learn about these services through the Chamber's advertising efforts. In addition, City staff contact all new small businesses (identified through business license tax information) by mail.

Entrepreneurship Centers - San Jose, San Francisco

In order to reduce unemployment and foster business management skills in local small business people, San Francisco Renaissance, a non-profit corporation funded in part by the City of San Francisco, has created a model of entrepreneurship centers that is being replicated in San Jose, Oakland, East Palo Alto and San Rafael.

Entrepreneurship centers offer four, 32 session training programs to individuals who have just started a business or who have a solid idea for a small business. The course concentrates in five areas: developing a business

Small Business Technical Assistance

plan, finance, accounting, marketing, and management. Classes are taught by successful small business people, as well as other experts in the fields of business, finance and management. Students pay \$250 for the course; some scholarships or lenient payment plans have been made available. Following the course, graduates from each "class" meet on a monthly basis to discuss common concerns and the entrepreneurship center staff provide limited on-going counseling.

Conversations with staff people at the San Jose and San Francisco centers revealed that demand is high for the courses; usually one person is accepted for every three or four who apply. The centers are new, so it is difficult to assess their success. The San Francisco center reports that graduates from the first two courses have started over thirty small businesses, and at least half that number are gradually adding staff. Other centers have not yet completed their initial course.

First year operating expenses for the San Jose Development Corporation (a non-profit CDC), including one part-time staff position to coordinate the center, amounted to \$14,000; two courses will be offered each year. Course instructors are paid \$50/hour for in-class time. Staff in San Jose estimate that operating costs in year two will be somewhat less than year one.

C. EMPLOYMENT COORDINATION

Program Description: Link City economic development efforts to the employment and training system to maximize employer hiring of local participants in employment and training programs. Encourage Hayward firms to make use of local employment and training programs (such as EDD, JTPA-funded programs, local schools) as a first source for referral of employment candidates, by promoting these services to employers. Provide support to the Business Expansion and Retention program, and use that program as a primary means of outreach to employers. Adopt and implement an ordinance requiring that companies receiving significant financial assistance from the City, such as IDB financing, use local employment and training agencies as a first source for referral of employment candidates, while retaining full employer control over the actual hiring decision. Provide advance notice, where possible, to appropriate agencies regarding new firms locating in Hayward that expect to hire workers. Provide advance warning of plant closures or relocations, where possible, to ACTEB's displaced worker program.

Results Expected: Increase hiring of disadvantaged and/or unemployed residents of the Hayward area in jobs with Hayward firms. Provide more simple, efficient assistance for employers in obtaining suitable employees from Hayward through development of a comprehensive information base and referral network. Reduce the disruptive affects of plant closures by facilitating early intervention for placement and retraining of displaced workers.

Possible Drawbacks: None identified.

Staff Requirements: One half-time position. Tasks include: (1) developing and maintaining an ongoing system to obtain current information on available job applicants in key occupations from all local employment and training agencies; (2) providing assistance to employers who indicate interest in employment and training system referrals in business visitation surveys; (3) developing a system to identify incoming firms through monitoring of business license applications and contracts with industrial and commercial real estate brokers; (4) drafting of first-source hiring ordinance and monitoring of compliance in cases where City provides financial assistance.

Employment Coordination

Cost: \$26,300

Offsetting Revenues/Contributions: Not applicable.

Staff Analysis

Coordination between local job training and economic development programs is becoming increasingly important as local economies undergo fundamental shifts. The overall shifts in Hayward's economy--declines in traditional manufacturing employment and growth of other manufacturing and service sectors--have dislocated some workers and created demands for workers in other occupations. According to local employment and training officials, the impressive growth in Hayward's industrial area has not made up for losses in the City's food processing industries and other industrial shifts in terms of employment for low-skilled workers.

According to the U.S. Census, the overall unemployment rate for Hayward in 1980 was 7.1 percent, with women and men of Spanish origin, black men, and younger workers experiencing unemployment rates in the 9 to 13 percent range. Hayward's current average unemployment rate of approximately 6.7 percent indicates that there is a need to not only increase the total number of jobs but to retrain and place unemployed residents in existing and newly created jobs.

As the City of Hayward develops its economic development plan, the opportunity arises to link economic development programs with the existing system of employment and training services.

There are several job training and placement centers in Hayward that work to train and match Hayward residents with available jobs.

. ACTEB, which administers federal funds allocated under the Job Training Partnership Act (JTPA) for job training and placement of low-income people, contracts with several local agencies that provide these services. ACTEB also directly offers job placement services through its Center for Business Employment and administers a displaced worker program targeted to retraining and placing people who lose their jobs through plant closures.

- . Hayward Unified School District administers and provides primary sponsorship of the Regional Occupational Center, and provides placement services for trainees.
- . The California Employment Development Department (EDD) also plays a critical role in serving residents of the City. EDD provides job services without fees to employers and job seekers. EDD also administers several special assistance programs for employers.
- . The State of California provides funding for classroom training and on-the-job training through various other programs.
- . Several private institutions and Chabot College also provide training and placement services.

Under most state and federal regulations, individual job training agencies must place trainees directly in order to continue to receive funds. Thus, agencies work very hard and compete with each other to place trainees in jobs with employers in Hayward and the surrounding area. With this system of many competing placement agencies, employers are faced with being called on by each agency individually.

Despite the number of job training and placement services in Hayward, many local employers are not able to satisfactorily meet their labor needs. The survey of new Hayward firms revealed that one-quarter of these firms have some difficulty in finding enough workers with the necessary skills to satisfy their hiring needs. Sixty-six percent of the firms said they would consider giving preference to hiring local residents, and forty-one percent of all respondents said that local government referral of qualified employment candidates would be useful to their firm.

Visits to Hayward employers through a Business Expansion and Retention program offers an obvious opportunity for City staff to talk to employers about available training services, to encourage them to hire Hayward residents through these agencies, and to consider giving hiring preference to Hayward

Employment Coordination

residents. The City, in cooperation with local agencies, could develop a comprehensive information base and referral network. Better information gathering and active marketing of employment and training services on the part of the City can work to reduce local unemployment and provide a valuable service to Hayward businesses through referral to Hayward employment and training agencies.

Furthermore, information about employers' current labor needs and future hiring plans gathered during Business Expansion and Retention visits could provide very up-to-date labor market information for employment and training agencies. Currently, projections of future demand occupations are made on an informal basis because there are few truly up-to-date sources of information on hiring plans.

Several California cities have adopted far-reaching "first-source" hiring policies, requiring most new developers to commit to consider hiring people referred by the City or the employment and training system. Such policies have generated a fair amount of ill-will, and are not recommended for Hayward. An extremely limited first-source policy, however, would be practical to implement without causing undue burdens on employers or developers. Under such a policy, only firms receiving substantial financial assistance from the City would be required to use local employment and training agencies such as ACTEB or EDD as a first source for new hires. Presently, very few firms receive such assistance, but in the event that Industrial Development Bonds or other financing mechanisms are available, the City could use this policy, which does not require the employer to hire anyone but only to consider local referrals, to receive some benefit for its assistance.

D. EDUCATION TASK FORCE

Program Description: Establish an Education Task Force to develop means of connecting the resources of Hayward's higher educational institutions to the economic life of the community. In particular, encourage development of top-quality educational programs at California State University at Hayward and Chabot College that train graduates in a specific high demand occupation, such as computer programming, which would enhance the attractiveness of a Hayward location for many employers. The Task Force will also consider new ways to utilize resources in the community at large to benefit elementary and secondary school education in Hayward. Membership of the Task Force will include representatives from the Economic Development Advisory Committee, top level academic administrators from California State University at Hayward, Chabot College, the Hayward Unified School District and major local private schools.

Results Expected: Heighten awareness of and response to community needs on the part of local academic institutions. In the long run, improve the attractiveness of Hayward for employers in high growth sectors because of availability of trained labor force.

Possible Drawbacks: Sufficient interest must be generated on the part of the leadership of the education community in order to achieve substantive results.

Staff Requirements: Existing staff (Mayor's office or City Manager's office).

Cost: None; volunteer time from participants.

Offsetting Revenues/Contribution Not applicable.

E. COMMUNITY PUBLICATION

Program Description: Prepare and distribute a community publication containing information regarding activities of local organizations, activities and programs of the City government and the contributions of diverse elements of the Hayward community, including the business community. The publication by the City will be designed to help shape Hayward's image as a culturally diverse, economically viable community. Retain the services of a public relations consultant to develop a specific concept and design for the publication. Utilize the EDAC as an oversight committee to interpret the intent of the publication to the consultant and guide ongoing production. Coordinate with publication of a business bulletin (see Business Expansion and Retention program) to provide flow of information between business and resident community. Distribute to every Hayward household, and make extra copies available for distribution by the Chamber of Commerce, the Mayor's Office, and other organizations.

Results Expected: Improve the image of Hayward held by local residents by building an awareness of the diverse cultural, civic and economic resources of the community.

Possible Drawbacks: Publications must maintain a high quality of content, writing and design. Mediocre quality would damage, rather than improve, City image.

Staff Requirements One half-time position and occasional time from other staff for contributed articles. Tasks include: developing and maintaining contacts with all Hayward organizations that sponsor public cultural, educational or recreational events and programs; researching and writing feature articles; coordinating production and mailing of community publication and business bulletin.

Cost: \$56,700, first year.

Offsetting Revenues/Contributions: Corporate contributions might be solicited to offset production costs.

Analysis

City image has been identified as a critical issue by the Economic Development Advisory Committee. In particular, the Image subcommittee has determined that improving the self-image of the City -- the perspective on Hayward held by local residents and business proprietors -- will go the farthest towards improving morale, stimulating the local economy, and causing positive ripple effects on the image of Hayward held by outsiders. The general consensus is that the reality of Hayward is much more positive than is the perception of what the City is like. A community publication and business bulletin represent tools for informing and shaping the publicly-held perception of what Hayward is like and has to offer. (The business bulletin is discussed in detail as part of the Business Retention program.)

Various organizations in Hayward already publish individual calendars of their own events. Cal State Hayward, Chabot College, the Hayward Area Recreation and Park District, the Chamber of Commerce and Centennial Hall all prepare periodic schedules of events. Volunteers currently put together a one-page, typed community calendar which is not widely distributed. A City publication could promote a broad range of programs, activities and events, as well as provide a direct vehicle for informing residents about City government efforts that affect citizens.

Many cities publish community newsletters. As illustrated by the three examples described on the following page, the cost of production and distribution is high. The recognized importance of improving City image justifies an investment of public funds for this program. At the same time, corporate financing of the costs of printing, graphics and mailing would be highly desirable and should be investigated.

EXPERIENCE OF OTHER CITIES

Pleasant Hill

The City of Pleasant Hill (pop. 27,400) publishes a monthly newsletter called "Outlook". The six-page newsletter combines information about cultural and educational events sponsored by various community organizations with news and information from City Hall. Brief articles describing certain activities of organizations are included, as is a mayor's message and council highlights. The newsletter also contains a schedule of upcoming community events for the month. The back page of each newsletter lists all regular City meetings, upcoming public hearings, City or school holidays.

Outlook is produced by staff in the City Manager's office. The City of Pleasant Hill is planning to hire a Public Information officer, who will take over this responsibility. Cost of printing and mailing the newsletter to all of the City's 13,000 households is approximately \$24,000/year (not including staff time).

Mountain View

The City of Mountain View (pop. 60,000) publishes a monthly newsletter that is mailed to all households. A citizens committee acts to advise staff about contents of the newsletter and to help solicit information to be included in the newsletter. Half of the newsletter is devoted to community events and activities, and the other half covers City government news. The newsletter, in tabloid form, ranges in size each month from 4 - 16 pages. An extensive overall calendar of events is included in the newsletter.

The 1986 budget for Mountain View's paper is \$65,000 which includes a half-time staff person, printing, and mailing.

Santa Monica

Seascape is a newsletter devoted to the events and activities of the City of Santa Monica that is published six times a year and is mailed to every citizen and business. Writing and coordination of the newsletter is carried

out by staff in the Department of Parks and Recreation. The newsletter includes only information and activities and events related to City departments; other cultural events are not included, unless they are sponsored by a City-funded agency. Total cost of the newsletter (staff time, printing, and mailing) is \$57,000 each year.

F. TRANSPORTATION SYSTEMS MANAGEMENT

Program Description: Implement a transportation systems management (TSM) program to promote reductions in peak hour traffic to and from Hayward businesses. Involve major local employers directly in establishing goals and objectives for the program. Provide a staff coordinator to work with individual employers to develop plant-level TSM plans and survey employees annually regarding commute modes, work schedules and residential distribution. Work with companies on an ongoing basis to achieve successful TSM solutions, prepare promotional materials, and arrange for special training sessions for plant-level TSM coordinators. Consider adoption of TSM ordinance as a possible second step, following review of initial voluntary efforts.

Results Expected: Decrease in peak hour vehicle trips to and from Hayward firms with 50 or more employees. Specific amount of reduction to be determined by TSM coordinator following initial consultations with employers. Ancillary benefit from surveying employees will be generation of an information base regarding hiring of Hayward residents

Possible Drawbacks: Lack of enforcement power without ordinance; possible resentment on the part of major employers if an ordinance is imposed upon them.

Staff Requirements: One full-time traffic planner. Tasks include: training employer-TSM coordinators; designing and analyzing surveys; recommending transportation solutions; preparing promotional materials; monitoring progress.

Cost: \$45,700

Offsetting Revenues/Contributions: Some training for on-site TSM coordinators may be provided free of charge by Caltrans and the Metropolitan Transportation Commission.

Staff Analysis

Transportation Systems Management (TSM) programs involve cities and individual companies in strategic planning to reduce automobile travel, particularly during peak traffic hours. Under TSM programs, employers inform employees of available transportation alternatives, and in some cases provide incentives for use of transportation modes that reduce the number of vehicles on the road, such as ridesharing, public transit or staggered work hours. Both the Draft General Plan and the Draft Environmental Impact Report for Downtown refer to TSM as a strategy to be encouraged.

Several cities in Northern California have adopted ordinances which require major employers to reduce peak hour vehicle trips by a specified percentage through implementation of TSM plans. By making use of TSM a requirement, with clear goals for traffic reduction, these cities appear to be obtaining significant results. Pleasanton, which has one of the most comprehensive ordinances, achieved a 15 percent reduction in peak hour vehicle trips from all but two major employers in the first year of the program's operation.

A voluntary TSM implementation program represents a relatively inexpensive, proactive measure that Hayward could take to alleviate traffic conditions. Although through traffic is a major component of Hayward's traffic problem, 70 percent of the workers in Hayward businesses commute into Hayward from outside the city. In all, more than 52,000 people work in Hayward. Thus an effort which called on employers to implement solutions at their own facilities could have a measurable effect on the the overall traffic picture.

The Alameda County Transportation Advisory Committee recently established a subcommittee to develop a model TSM ordinance. The subcommittee staff believes it is likely that the group will encourage Hayward, San Leandro, Castro Valley and San Lorenzo to work together on a coordinated approach to TSM, on the assumption that the transportation patterns and networks in these areas are interrelated.

Determination of the specific provisions of a Hayward TSM ordinance, should one be required, will require careful examination of existing conditions and

Transportation Systems Management

potential alternatives which employers can make available to their employees. City Planning and Economic Development staff should work closely with major employers to draft an ordinance which has the support of the business community.

EXPERIENCE OF OTHER CITIES

Pleasanton

The City of Pleasanton adopted a TSM ordinance in October 1984. The measure, which was drafted with the input of developers and business people, represents an ambitious attempt to reduce peak hour vehicle trips to and from the largest Pleasanton businesses by 45 percent over a period of four years. While some TSM ordinances apply only to new business, the Pleasanton law applies to all businesses.

All firms with 10 or more employees are required to conduct an informational program designed to acquaint employees with the transportation alternatives available to them. Employers of 50 or more people must reduce peak hour vehicle trips generated by their employees by 15 percent the first year, 25 percent the second year, 35 percent the third year and 45 percent the fourth year. This can be accomplished through a variety of means, including flex time shifts, ride sharing and increased use of public transit. A TSM coordinator must be appointed by the company.

In order to monitor the program, an annual survey is sent to all employers in Pleasanton. The survey is distributed to employees, who fill out information regarding their typical time and mode of transportation to and from work. All data analysis of survey results is prepared by the City and shared with individual firms.

In the first year of the TSM program in Pleasanton, all but two firms employing 50 or more people were able to meet or exceed their 15 percent peak hour traffic reduction goal. The City has hired a full time staff person to work with businesses on TSM methods. In addition, employer TSM coordinators have been invited to several training sessions conducted by the MTC, RIDES and Caltrans.

A task force has been established to oversee implementation and monitoring of the TSM program. Task force members consist of management - level

Transportation Systems Management

representatives from all local firms with 100 or more employees. Fines can be imposed on firms that do not return completed surveys or fail to meet the goals for reduction in peak hour traffic. Non-complying firms can have a hearing before the City Council. The Council may choose to have the task force develop a mandatory TSM program for firms that do not develop their own program.

The annual budget for Pleasanton's TSM program is approximately \$55,000, excluding overhead. This includes one full time staff person and funds for various promotional materials and events. Promotional efforts include commuter of the month awards, posters, transportation brochures, etc. According to Pleasanton staff, local press has also played a critical role in promoting the program.

Foster City

Using an incentive approach, Foster City permits a decrease of up to 15 percent in the number of required off-street parking stalls based on a detailed Transportation Systems Management (TSM) plan. An agreement between the landowner and city, which constitutes a covenant running with the land, provides for a transportation coordinator to implement provisions of the plan.

Sacramento

Sacramento adopted a Trip Reduction Ordinance in April 1983, targeted to new nonresidential development and major expansions of existing development. All new developments or expansions designed to accommodate 200 or more workers must prepare a Transportation Management Plan to achieve a 15 percent reduction in total single-occupant vehicle trips from a base case assumption. The ordinance specifies 14 types of trip reduction measures; applicants must generally implement three to four of the measures. Any development which is required to comply with these conditions is eligible for reductions in the amount of required off-street parking.

G. NEW FIRM/STRATEGIC ATTRACTION

Program Description: Evaluate methods of attracting targeted retail establishments to Hayward, and pursue feasible projects in order to increase the local tax base and provide needed goods and services. Meet with new firms that are in counter-cyclical sectors as soon as they locate in Hayward, to welcome the firm's principals, make City services accessible, and introduce the firm to the City's technical assistance resources. This program will augment current efforts of the Mayor, the Chamber of Commerce and others in the community to attract and welcome new business to Hayward. The program will be closely tied to the Business Expansion and Retention Program and the Small Business Technical Assistance Program, and will benefit from the first year experience of these programs. Knowing the needs of existing firms through the Business Expansion and Retention Program will help target efforts to attract new business and diversify the economy through the New Firms/Strategic Attraction Program.

Results Expected: Definition of target retail sectors for which the city has a strong market, identification of potential sites, development of marketing strategy for the City, outreach to selected new firms with full follow-up, written report on advisability of future attraction efforts.

Possible Drawbacks: Results from these activities are hard to measure. Strategic attraction (part of this program) does not have a proven track record. Possible major long-term benefit, but a risk of little benefit for costs accrued.

Staff Requirements: One full time position. Tasks include: in-depth identification of growing retail industry groups with a detailed assessment of City's locational advantage for each. Development of a resource bank of successful start-up business persons, and of local sources of supply. Design and execution of a visitation program, with follow-up. Development of appropriate targeted marketing methods and cost-effective ways to strengthen advantages for an identified retail group.

Cost: \$43,300, first year.

Offsetting Revenues/Contributions: Not applicable.

Staff Analysis

Many early economic development efforts by local communities focused on attraction of industry. Techniques such as tax abatement, site clearance and land writedowns, and provision of off-site improvements were used to bring new major employers to cities, especially those suffering from decline of their cores. This led to a number of instances where companies either used offers from other locations to strengthen their bargaining position with the original location of their choice or moved in for the term of the tax abatement and then left. In fact, studies have shown that incentives and taxes have little to do with location choice. Business needs and quality of life are the paramount concerns in business location decisions.

So, while efforts to promote the natural locational advantages of a city are important, these are often best carried out, as in Hayward, by the Chamber of Commerce and the broker community.

Recently, a new approach to attraction has been developed: strategic attraction. Using this approach, a city identifies an extremely specific industrial segment that has three characteristics: (1) balances the City's industrial and tax base, (2) is an expanding part of the economy, and (3) needs the natural locational advantages the city offers. The City then actively markets itself to businesses in this market segment. It also attempts to strengthen the advantages. For example, biogenetics is a current favorite strategic attraction target industry. A city might prepare brochures, for distribution through brokers and other means, setting out the city's advantages for firms in this industry. It might also work with local educational institutions to strengthen the appropriate labor pool and increase related technology transfer.

For Hayward, strategic attraction is most appropriate in terms of the retail sector. The industrial sector is the subject of active marketing and attraction efforts on the part of the Chamber of Commerce, broker community, and others. Attraction of sales tax generating retail operations could help diversify the tax base and make City services more recession-resistant. It should be noted that attraction efforts as described here would supplement existing efforts on the part of the Mayor, the Chamber of Commerce, and others.

New Firm/Strategic Attraction

As a bridge between unproven strategic attraction and more-tested retention, this program focuses on giving targeted new firms a "warm welcome" to the City. In this way, the City gains information on why these highly desirable businesses are locating in Hayward in order to design and implement a better strategic attraction program. Simultaneously, it begins the process of helping these new businesses to survive and retaining them in the City. It reaches the businesses early, before decisions on who to hire and where to purchase goods have been made. In providing assistance with such matters, the City provides a valuable service which is the foundation for a continuing cooperative relationship with the private sector.

H. TARGETED NEIGHBORHOOD ECONOMIC REVITALIZATION

Program Description: Organize merchants and commercial property owners in targeted commercial centers or strips to assess needed changes, prepare and implement improvement strategies, including attraction of new retail/commercial uses where appropriate. Insofar as possible, focus efforts on commercial strips located within or adjacent to neighborhood planning areas that have recently developed neighborhood plans.

During the six-month neighborhood planning process to be undertaken in each area, assist Planning Department staff in responding to economic development issues raised by citizens and other participants in the process. Following completion of the planning process, organize a group of interested merchants in identified areas of concern to develop an action-oriented commercial revitalization strategy.

Staff will encourage the formation of permanent associations of merchants and commercial property owners. Staff support for such efforts may include, but not be limited to, conducting a market analysis with the goal of identifying new commercial uses that would benefit residents as well as existing merchants, identifying opportunities for improving the area through physical and/or promotional activities, and provision of individual technical assistance to neighborhood businesses.

The Neighborhood Economic Revitalization Program is designed to complement the retail attraction efforts of the New Firm/Strategic Attraction Program by working intensively with retail property owners and merchants to create a positive business climate in key commercial areas.

Results Expected: Help improve neighborhood appearance and upgrade types of goods/services offered. Strengthen the City's tax base by improving highly visible commercial areas (with some related increase in employment). Organize ongoing merchant/commercial property owner associations in one or two areas per year.

Targeted Neighborhood Economic Revitalization

Possible Drawbacks: Unrealistic expectations may be raised for major financial contributions from the City to effect capital improvements unless fiscal limitations are made clear from the start. Coordination with neighborhood planning process will be imperfect because borders of several planning areas split commercial strips down the middle. These strips will have to be addressed as a unit.

Staff Requirements: Eighty percent staff person. Tasks include: coordination with Planning Department in responding to economic development issues raised in neighborhood planning process; performing commercial market analyses; staffing informal merchant/commercial property owner groups; identifying group marketing strategies and technical assistance needs; providing direct technical assistance and/or referral; preparing report on revitalization strategies for each merchant group; coordination with New Firm/Strategic Attraction program.

Cost: \$34,600

Offsetting Revenues/Contributions: Possible creation of business improvement districts by merchant/commercial property owner associations to finance promotional efforts.

Targeted Neighborhood Economic Revitalization

Staff Analysis

Neighborhood commercial centers or retail strips play a major role in defining the image of a community. For nearby residents, the center or strip is the main point of daily interaction with neighbors. At the same time, such commercial areas tend to be located along the more heavily trafficked streets in the neighborhood, so the center or strip frequently defines the neighborhood for passersby. For this reason, neighborhood commercial revitalization can be an important image-building tool.

The economic significance of neighborhood commercial activity is also felt directly. A viable neighborhood center provides business opportunities for entrepreneurs who have a stake in the community, enhances the residential attractiveness of the area by offering convenient goods and services, and returns sales tax revenues to the City.

One of the most well-known and commonly used strategies for commercial revitalization is the formation of redevelopment areas, which enable financing of major physical improvements and assembly of key properties through property tax increment funds. Tax increment funds support major planning and physical improvements in Hayward's downtown redevelopment area. In the current fiscal and political climate, however, it is unlikely that the City will be able to establish more redevelopment areas. Nevertheless, the model of focusing attention and resources on target areas is a useful one which has been adopted by many cities for use outside redevelopment areas. In Hayward, a Council subcommittee, with staff support, has sought to encourage shopping center improvements in the City, with some success.

With limited resources, the City cannot expect to effect a thorough facelift on target commercial areas. Staff can provide useful information to merchants and property owners by performing a market analysis. The analysis can guide new tenant selection and help merchants set priorities on improvement activities. During the planning process, projects may be identified involving facade renovation, landscaping, or needs for new marketing techniques. The City cannot commit funds to carrying out all proposed projects, but should

Targeted Neighborhood Economic Revitalization

make a limited financial investment which would permit a new Merchants' Association to launch its efforts with a visible project. One of the key goals of the process should be establishment of a permanent merchants' association. Merchants may choose to organize a Business Improvement District to staff such an association and finance specific promotional or other projects as Hayward's Downtown Merchants' Association has already done.

A major component of the City's planning program is the preparation of neighborhood plans. According to the Draft General Plan, the functions of such area plans are to serve as an indication of policy, to guide ongoing community development, to coordinate programs for improvement, and to encourage neighborhood participation and support for the planning program. The Planning Department will embark this year on the first of a series of neighborhood plans, to be developed following adoption of the General Plan.

Unfortunately, the boundaries of several neighborhood planning areas split commercial strips between two or more planning areas. In addition, the market area of a commercial strip is likely not to be contiguous with a particular neighborhood planning area. Nevertheless, the neighborhood planning process will be the primary vehicle for defining short and long-term City policy in specific areas of the City. The participatory nature of the planning process also means that it represents an opportunity to identify concerns of residents (and, to a lesser extent, business people) regarding nearby commercial areas. Thus the commercial revitalization program should follow the neighborhood planning process to the extent practicable to maximize response to identified concerns.

Targeted Neighborhood Economic Revitalization

EXPERIENCE OF OTHER CITIES

San Jose

For several years, the San Jose Departments of Planning and Redevelopment have coordinated in the preparation of neighborhood plans. Working with a community group composed of residents, merchants and property owners, the City has hired consultants to conduct economic and urban design studies. In three cases, ongoing merchants' associations have been established through this process. The City has been able to use CDBG funds to hire business managers for the associations, support development of design guidelines, undertake landscaping improvements, offer a facade loan program and contribute to promotional campaigns. The cost for this ambitious program is approximately \$150,000 per year, per area. The City has made a three year funding commitment to these target areas. City staff stress the importance of maintaining a focus on short-range implementation for the commercial revitalization portion of the program.

I. SUPPORT FOR CHILDCARE

Program Description: Provide active City support to legislative childcare initiatives at the state and federal level, and work with local institutions such as the Child Care Coordinating Council and the Hayward Unified School District and the business community to develop practical strategies for increasing the supply of affordable childcare in Hayward.

Results Expected: Identify medium and long-range partnerships between the City, local providers and local business that will expand the supply of affordable childcare in Hayward. Improve the employment prospects of parents who currently do not have access to adequate, affordable childcare services, and increase awareness of childcare needs and services on the part of local employers.

Possible Drawbacks: None identified.

Staff Requirements: Twenty percent staff person. Tasks include: coordinating with existing agencies in the community in a planning effort to produce specific strategies; monitoring legislative initiatives related to childcare.

Cost: \$8,700

Offsetting Revenues/Contributions: Not applicable.

Staff Analysis

The increasing participation of women in the labor force, and the increasing ranks of female-headed families among those living in poverty, are making childcare an employment and economic development issue as well as a social services issue. In 1980 the labor force participation rate for women in Hayward was 56 percent, up from 44 percent in 1970. Families with working women generally require outside care for their children. The need for childcare is also reflected in unemployment statistics. Women had a higher unemployment rate (7.4 percent) than men (6.9 percent) in Hayward in 1980. In particular, women of Spanish origin had a 13.8 percent unemployment rate. While there are a myriad of causes for these high unemployment rates, one contributing factor is the lack of affordable childcare.

The childcare problem is really two related problems: lack of supply and inability of working parents to afford what childcare there is. Even parents who can afford to pay going rates for childcare frequently have difficulty finding appropriate care. Because the childcare business is very labor intensive, it tends not to pay well or offer opportunities for profitable business investment.

There are presently a total of 2,252 licensed childcare slots among providers in the City of Hayward. In one month alone the Child Care Coordinating Council of Alameda County received over 1,500 calls from parents throughout the County requesting childcare. A 1984 study conducted by the California Childcare Resource Referral Network found that 60 percent of the children in South Alameda County do not have access to licensed childcare. According to Jeff Miller, Director of the Child Care Coordinating Council of Alameda County, the childcare situation in Hayward parallels the trend for the South County as a whole.

Subsidies for childcare are provided on a limited basis through several state and federal programs including those administered by the Department of Social Service and under the Jobs Training Partnership Act. In Hayward, the primary licensed providers of subsidized childcare are the Head Start program

Support for Childcare

and the Hayward Unified School District. Both programs maintain over a one year waiting list.

The City of Hayward allocated General Revenue Sharing funds in 1986 to support 14 subsidized childcare slots in the community. City officials are also involved with informal negotiations with the School Department to provide childcare facilities for City employees.

Childcare is a very expensive problem to solve, but many cities are trying to find new ways to alleviate the problem. Hayward is ahead of some areas, in that often the first step taken is to establish an agency to develop a childcare referral system. The Child Care Coordinating Council of Alameda County (CCCC) is based in Hayward and performs this function. Creative alternatives for expanding the supply of childcare may include: encouragement of home childcare facilities through recruitment, training programs and review of zoning policies to ensure that zoning does not discourage family daycare; coordination with schools and private funding sources to increase childcare at school sites; establishment of a childcare foundation, endowed in part through development fees attached to major projects that create a measurable demand for childcare; and provision of loan guarantees to new childcare providers. The particular relevance of these and other programs to Hayward should be thoroughly investigated in light of the growing gap between childcare needs and available affordable services.

EXPERIENCE OF OTHER CITIES

Concord

The City has established a program with the Bank of America under which the bank will increase lending to loan applicants proposing to start new childcare facilities, under the condition that the loans be guaranteed by the City.

Orange County

The Day Care Association of Orange County has had some success in increasing the supply of family care providers by providing group insurance, training and a system of substitute care attendants to backup primary childcare providers.

Irvine

The City of Irvine, the local school district and a major employer are engaged in a joint effort to provide after-school childcare on school sites. Portable structures will be purchased, set up on the school sites and leased to non-profit childcare providers.

J. TRENDS IN THE LOCAL ECONOMY

Program Description: Improve the quality of local economic forecasting data available through production of annual report discussing economic activity in Hayward and future prospects. Include the following information: analysis of business license regarding types of firms moving in and out of Hayward; phone survey of major employers regarding expansion plans; analysis of detailed sales tax trends by sector; analysis of industrial absorption and vacancy data by type of space and user; current employment.

Results Expected: Significantly improve the quality of forecasting data available for economic development program planning and projection of demand occupations for employment and training needs. This information will help build cooperative relationships with other organizations, and could be used to justify program funding by outside sources, when available.

Possible Drawbacks: None identified.

Staff Requirements: One quarter-time student intern, to be supervised by existing staff. Tasks include: coordination with Finance Department to obtain relevant business license data, survey work, analysis of Board of Equalization detailed sales tax reports, etc; production of brief annual report.

Cost: \$2,900

Offsetting Revenues/Contributions: Not applicable.

K. ECONOMIC IMPACT ANALYSIS

Program Description: Assemble an information base on the costs, revenues, employment and multiplier effects typically generated by different types of development in Hayward. Analyze three prototypical sites according to the costs and benefits associated with alternative uses, and prepare a report to help guide analysis of actual projects in Hayward.

Results Expected: Greater awareness on part of staff, development review boards and commissions of economic implications of development decisions, i.e. jobs, service costs, tax revenues, economic multiplier effects.

Possible Drawbacks: Generally speaking, tools used for fiscal analysis are complicated and expensive to use. Some analysis of a broad spectrum of developments is useful, especially in the beginning, to build an economic information base and test the accuracy of the analysis. However, if the extent of the analysis and type of projects are not carefully selected, this activity can become more expensive than its results justify.

Staff Requirements: Twenty percent staff person to review proposals, develop economic information, prepare reports.

Cost: \$26,300.

Offsetting Revenues/Contributions: Not applicable.

Staff Analysis

As the supply of undeveloped land dwindles in Hayward, any proposed use of vacant land poses an opportunity cost to the City in terms of alternative uses to which the land might be put. Also, pressures will increase over time for changed uses of already developed land. Different uses vary in terms of the benefits and costs associated with them. Currently these benefits and costs are evaluated by discretionary bodies as part of the development approval process.

The factors considered in this process relate to zoning. They include land use, physical design and the environmental impact of a given project. Though many of the elements of the environmental assessment have economic implications, economic impacts are not considered as a distinct element of development approvals.

Economic impact analysis can contribute to this by providing some means for comparing different types of development on the basis of costs and benefits to the City. Factors to be considered include: permanent job creation; property and sales tax revenues; service costs (police, fire, etc.), indirect job effects; traffic; and hazardous materials. Information on some of these factors is already generated by staff in various City departments. The goal of an economic impact analysis program would be to provide generalized standards, based on Hayward experience, that could be used to inform development decisions.

Production of a thorough impact analysis for all zoning decisions would be time consuming. No mechanism currently exists for integrating such an analysis into the decision-making process. However, the City could take a substantial step towards making more informed choices by conducting several prototypical analyses of sites, and making the results available to decision-making bodies to begin an educative process.

EXPERIENCE OF OTHER CITIES

San Leandro, Livermore, Richmond, Merced, Modesto, Fairfield

A number of local cities have used a fiscal analysis to provide information on the cost that will be associated with proposed development. San Leandro, Livermore, Richmond, Merced, Modesto and Fairfield are some of the cities and counties that have used fiscal analysis. They all used a computer model called CRIS which was developed by ABAG. The cities reported that the system was expensive (\$20,000 - \$50,000 excluding staff time), demanding where staff time is concerned, and difficult to maintain.

Fremont, San Mateo, Oakland, Berkeley

Few cities include separate economic analyses as a part of their approval process. Of the cities that do, the information is simple in form and is fairly easy to generate. The information is generated as a part of the environmental assessment and is highlighted as economic information. The City of Oakland is interested in employment projections because of its Hire Oakland program, a program designed to encourage new employers to hire local residents. Berkeley is interested in traffic impact and employment potential. Alameda County is also employment oriented.

L. COMMUNITY-WIDE CLEAN-UP PROGRAM

Program Description: Expand the current annual clean-up campaign, to provide a second annual community-wide clean-up effort in the Spring. Initiate efforts to develop sources of funding for this program.

Results Expected: Cleaner streets and neighborhoods, projecting a more positive image of Hayward.

Possible Drawbacks: None identified.

Staff Requirements: One intern, employed half-time for six months, in the Office of the Mayor. Tasks include: coordination of publicity and outreach to residents and neighborhood groups.

Cost: \$50,000

Offsetting Revenues/Contributions: Not applicable.

Staff Analysis

In 1974, City Staff and 25 members of the community formed a committee to clean up Hayward in preparation for its Centennial celebration in 1976. Some City funds and City staff time were used for this effort. Following the Centennial, most committee members were "burned out" and the committee disbanded.

In 1983, the City of Hayward, along with other East Bay cities, made a 5 year agreement with the City of San Francisco, whereby San Francisco would pay 12 East Bay cities for the use of the Altamont garbage landfill. Hayward began receiving an annual sum of \$270,000 in FY 1983-84; the City will receive this amount annually until 1988. At that time, San Francisco will begin a contractual agreement with the Alameda County Solid Waste Authority. The funds that Hayward receives currently are to be used for the mitigation of garbage and litter in Hayward.

In 1984, with this new source of funds available, the City Council decided to reinstitute a community-wide clean up. A clean-up committee was formed with representation from different segments of the Hayward community that would help organize community clean up days, the first of which was held in the fall of 1984. Ruth Forbes, Administrative Analyst in the Mayor's office and a part time intern (employed half-time from January - June each year) staff the committee out of the Mayor's office and coordinate the community clean-up.

The budget for the 1986 community clean up is \$75,000. The bulk of these funds (\$53-54,000) will be used to pay for services provided by Oakland Scavenger. Clean up days occur on 3 consecutive weekends; the City is divided by zip code and a section of the city is involved in the clean up each weekend. Residents are able to dispose of small appliances, mattresses and other household garbage. The Marine Corps Reserve helps senior citizens and disabled people gather their trash and bring it to the curb.

In addition to the truck pick-up, children are organized through schools, churches and Boy Scouts, to pick up litter on Hayward's major arterials. The

Community-Wide Clean-Up Program

right-of-way pick up coincides with one of the three days of the clean-up. In the past, businesses have donated litter bags, sodas, and food to help with this effort.

The outreach effort for the clean up is significant. Two mailings are sent to every Hayward resident describing the event and reminding households of the clean-up. Signs are put in store windows, a banner on "B" Street is hung, and the media is used to get the word out and then publicize the event.

The clean-up committee sees the clean-up days as its major project but not its only activity. Many committee members act as "watchdogs" for litter in Hayward and work with fast food restaurants, the railroads, P.G.& E., etc., informally monitoring their sites and reminding them when necessary, to keep their sites clean.

The clean-up program is popular among City residents, and does result in noticeable improvements on major arterials and in residential neighborhoods. Cleanliness of the community is an important ingredient in creating a positive image. Thus continuation and expansion of the program is desirable.

V. PUBLICATION ORDER FORM

Additional copies of this report may be obtained from the City of Hayward Department of Community and Economic Development by filling out this form. Please make check payable to the City of Hayward.

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